



**Cherokee County Cogen
PURPA Term Sheet for New 10-Year PPA
February 10, 2021**

Buyer:	Duke Energy Carolinas
Agreement:	Negotiated PURPA Agreement: Avoided cost rates calculated with updated inputs consistent with rates filed with PSCSC on Oct. 26, 2020 (2019-185-E) and PSCSC Order No. 2020-315A
Product:	Unit firm combined-cycle capacity and energy/tolling agreement
Term:	January 1, 2021 through December 31, 2030 (10 years)
Monthly Capacity Payment:	Contract Capacity x Monthly Capacity Charge x 1000
Contract Capacity:	<div style="background-color: black; width: 100%; height: 1.2em; margin-bottom: 2px;"></div> <div style="background-color: black; width: 100%; height: 1.2em; margin-bottom: 2px;"></div> <div style="background-color: black; width: 100%; height: 1.2em;"></div>
Monthly Capacity Charge (\$/kW-month):	<div style="background-color: black; width: 100%; height: 1.2em; margin-bottom: 2px;"></div> <div style="background-color: black; width: 100%; height: 1.2em;"></div>
Guaranteed Heat Rate:	■ MMBtu/MWh
VOM:	■/MWh ■
Start Charges:	<div style="background-color: black; width: 100%; height: 1.2em;"></div>
Electric Delivery Point:	High side of GSU ("Into DEC")
Condition Precedent:	Written demonstration of QF status/eligibility; Binding negotiated PURPA agreement; Reg out/Full cost recovery
Performance:	Update existing contractual language to guarantee performance
Firmness/Scheduling:	Unit firm/Subject only to permit and operating limits
Credit Provisions:	Update existing contractual language to include current DEC security and performance assurance provisions

This negotiated pricing proposal presents Duke Energy Carolinas' avoided costs currently available to Cherokee under the Public Service Commission of South Carolina's implementation of PURPA. This proposal is not intended to be a binding offer or contract for the purchase and/or sale of electric energy or capacity. The terms and conditions set forth above are subject to negotiation, completion, and incorporation into a definitive agreement, which is executed by the parties respective managements. Mutually acceptable counterparty credit facilities must also be negotiated and executed. This negotiated pricing proposal shall remain available for 30 days from delivery by Duke Energy Carolina, subject to Duke Energy Carolinas agreeing to extend for an additional period not to exceed 30 days to complete ongoing negotiations.